

GPU ENERGY ATTACHMENT D

When a consolidated bill is presented, the billing party will assume the non-billing party's receivables pursuant to the following terms; these terms shall be embodied in a written Billing Services Agreement to be executed between the billing and non-billing party:

1. GPU Energy has filed with the BPU for the issuance and sale of Transition Bonds. In that petition GPU Energy requested that the Board establish the terms and conditions under which a TPS may bill and collect Transition Bond Charges or the MTC-Tax Charges as follows:

- a. Any TPS that proposes to collect Transition Bond Charges or the MTC-Tax must (i) meet the creditworthiness criteria to be established by the Board from time to time, and, at a minimum, the criteria set forth in GPU Energy's petition for a Financing Order; and (ii) comply with the billing, collection and remittance procedures and information access requirements set forth below.

- b. The Board will only authorize a TPS to bill and collect the Transition Bond Charge or the MTC-Tax for remittance to the Servicer or the Petitioner, respectively, if (i) such TPS agrees to remit the full amount of all charges it bills to customers for services provided by the Petitioner or any successor electric public utility, together with Transition Bond Charges and the MTC-Tax, regardless of whether payments are received from such customers, within 15 days of Petitioner's or the Servicer's transmission for such charges to the TPS, (ii) such TPS will provide the Servicer with total monthly kwh usage information for each customer in a timely manner for the Servicer to fulfill its obligations, as such information is the basis of such remittance, and (iii) the Servicer will be entitled, within seven days after a default by the TPS in remitting any charges payable to the Petitioner, together with Transition Bond Charges and the MTC-Tax, to assume responsibility for billing all charges for services provided by Petitioner or any successor electric public utility, including the Transition Bond Charges and the MTC-Tax, or to transfer responsibility to a qualifying third party. In addition, if and so long as such TPS does not maintain at least a 'BBB' (or the equivalent) long term unsecured credit rating from Moody's Investors Service and Standard & Poor's Rating Services, such TPS shall maintain, with the Servicer or as directed by the Servicer, a cash deposit or alternative credit arrangement in the form of a Guarantee, Irrevocable Letter of Credit or Surety or Performance Bond meeting the requirements therefor contained in Appendix C ("Creditworthiness Standards") of GPU Energy's TPS Agreement, in each case in an amount equal to two months' maximum estimated collections of all charges payable to the Servicer, including the Transition Bond Charges and the MTC-Tax, as reasonably estimated by Petitioner (or any such successor electric public utility or by the Servicer). In the event of a default in the

remittance of any such charges by a TPS, any shortfall in Transition Bond Charge or MTC-Tax collections will be included in the periodic adjustment of the Transition Bond Charge and the MTC-Tax as described herein.

c. Customers will continue to be responsible for payment to the Servicer of the Transition Bond Charge and the MTC-Tax billed by a TPS, to the extent such customer has not paid Transition Bond Charges or MTC-Tax billed to it. In the event of a failure of any customer to pay the Transition Bond Charge or MTC-Tax, the Petitioner is authorized to shut-off power, or a successor Servicer is authorized to direct the electric public utility to shut-off power, to such customer in accordance with law.

Payments made to the utility after the 15-day due-date mark will be assessed late payment charges at a rate of 1.5% per month.

Accordingly, when a consolidated bill is presented, the TPS biller will assume the GPU Energy's receivables pursuant to the foregoing terms and conditions, together with the terms and conditions that follow, which shall be embodied in a written Billing Services Agreement to be executed between the billing and the non-billing party.

2. If the utility is the party supplying consolidated billing, GPU Energy will pay all undisputed Electric Generation Service charges to the TPS by the fifth day from due date noted on the consolidated bill. Effective with the Board Order adopting this Settlement, recovery of GPU Energy's uncollectible expense will be moved out of its delivery charge and into an adjustable rider to be reflected in its Societal Benefits Charge (SBC). The amount to be moved will be the average of the last five years of the FERC 904 account, with an adjustment to the 1999 amount for a one-time system implementation event for GPU Energy. This amount is \$4.92 million. With this change, GPU Energy will remit payment in full to the TPS for its electric charges.

If a customer dispute occurs after said payment, the disputed amount will be subtracted from the next bill payment on behalf of that customer unless the non-billing party provides notification that the dispute is resolved. (Such resolution must occur at least five days before payment due date.)

3. Once GPU Energy begins assuming TPS receivables, the assumed TPS receivables will be treated in the same manner as delivery charges and the GPU Energy collection practices and procedures applicable to delivery charges will apply, including application of late payment fees for non-residential customers and potential disconnection for non-payment. GPU Energy retains the right to present past due charges as due to GPU Energy.
4. Budget Billing: If the non-billing party wishes to offer budget billing, the non-billing party will remit the budget amount in the current charges fields to the

billing party. The billing party will be responsible to the non-billing party only for the budget amount. The non-billing party may send actual charges as informational charges to the billing party for presentation on the bill. The billing party will have no responsibility for maintaining a deferred budget balance on behalf of the non-billing party.

5. A customer is entitled to a consolidated bill once it is deemed creditworthy by the billing party. A customer will be informed that failure to keep its bills current will result in conversion from consolidated billing to dual billing for a minimum period of one year.

At the billing party's discretion, after 60 days of not being current on billed charges, the customer and the non-billing party will be notified that the consolidated bill will not be supplied and that dual bills will commence with the next meter reading date, as long as the next meter reading date is no less than 15 days from the date of said notification.

If a customer is converted from consolidated to dual billing by any party for any reason, both GPU Energy and the TPS will be responsible for their own receivables, effective as of the start of dual billing.

6. Nothing in this Attachment shall either preclude or in any way prejudice the right of any party to take any position regarding utility uncollectibles in the Universal Service proceeding or any future proceeding.